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Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. AUG 20 1993

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August 20, 1993

VIA HAND DELIVERY

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

EX PARTE NOTICE

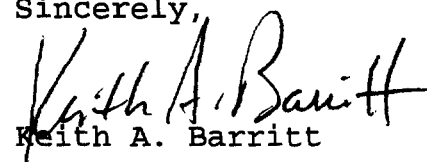
Re: MM Docket No. 92-266, Rate Regulation

Dear Mr. Caton:

In accordance with Section 1.1206(a)(2) of the Commission's rules, enclosed are two copies of material provided today to William H. Johnson of the Mass Media Bureau in connection with the above-captioned proceeding on behalf of the California Cable Television Association.

Please let me know if there are any questions concerning this matter.

Sincerely,


Keith A. Barritt

cc: Maureen A. O'Connell
Byron F. Marchant
John C. Hollar
William H. Johnson
Florence O. Setzer

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JERRY YANOWITZ
Vice President / Federal Affairs

RECEIVED**AUG 20 1993**

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

NEXT DAY DELIVERY**19 August 1993**

William H. Johnson
Mass Media Bureau
Federal Communications Commission
Room 314
1919 M Street, N.W.
Washington, D.C. 20554

**Re: MM Docket 92-266: Petition for Reconsideration of the
California Cable Television Association**

Dear Bill:

When we visited you on July 27, 1993, concerning our Petition for Reconsideration, you inquired whether we could quantify the degree to which the possessory interest tax was, if at all, already imbedded in the national benchmark rates.

We have examined the degree to which the possessory interest tax was included in the rates reported to the FCC pursuant to FCC Order 92-545 for the 14 California community units we believe were used to calculate the benchmarks. Of those 14, seven were not charged a possessory interest tax at the time of the rate survey (Times Mirror Cable Television of Palos Verdes, Continental Cablevision in South Central Los Angeles, Continental Cablevision in Downey, Continental Cablevision in Compton, Colony Communications of San Andreas, and two Insight Communications systems designated for Claremont).

With respect to four of these 14 systems, there was a very minimal possessory interest which was imbedded in the rate that was reported to the FCC. For Falcon Cablevision's Phelan System there was an imbedded possessory interest tax of 5.14 cents on its basic rate of \$22.00. For Falcon Cablevision's Thousand Oaks System there was an imbedded tax of 12.32 cents in the basic rate of \$18.50 reported to the Commission. For Lenfest Communications' Cable Oakland System there was an imbedded possessory interest tax of 2.66 cents per subscriber per month included in the \$19.95 basic charge reported to the Commission. And for KTS Corporation's Duarte System there was a 5.66 cents imbedded possessory interest charge in the \$22.95 basic rate reported to the Commission.

Serving Over 5,500,000 California Families

Of the remaining three systems (American Cable of Redlands Joint Venture, Consolidated Signal Corp. of Southgate and Ultronics, Inc. of National City) CCTA is not currently in possession of data. However, of these three systems, two -- Consolidated Signal Corp. and Ultronics -- both have penetration under 30 percent, and thus their rate could not incorporate this expense.

We have letters from most of the operators confirming the impact of the possessory interest tax on the rates reported to the Commission in the rate survey and will supply them to you upon request.

If you request, CCTA will model the impact of these minuscule amounts upon the benchmarks. We believe that the impact will not come close to approaching one-tenth-of-one cent in impact on the current national benchmark, as so many of the systems used in the calculation had no possessory interest at the time of the survey.

Thus, it remains our conclusion that the impact of possessory interest taxes upon the national benchmark is inconsequential.

Sincerely,



Jerry Yanowitz